

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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**ADMINISTRATIVE RULE
FISCAL IMPACT STATEMENT**

PROPOSED RULE: 98-180
STATE AGENCY: Solid Waste Management Board

DATE PREPARED: Nov 15, 1998
DATE RECEIVED: Oct 07, 1998

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Digest of Proposed Rule: This proposed rule amends 329 IAC 10-39-2 and 329 IAC 10-39-3 to add the local government guarantee option as a financial assurance mechanism for closure and post-closure care of municipal solid waste land disposal facilities as well as to revise the local government financial test so it is consistent with 40 CFR 258.74.

It amends 329 IAC 10-39-10 to add the local government financial test and the local government guarantee option as financial assurance mechanisms for corrective action. It also amends 329 IAC 10-39-10 so that the effective dates for financial assurance mechanisms for corrective action are consistent with 40 CFR 258.74.

In addition, it amends 329 IAC 10-39-10 and 329 IAC 10-39-11 to reflect the fact that P.L. 45 - 1997 voids the ground water corrective action contingency funds established under 329 IAC 10-21-14.

Governmental Entities:

IDEM: Since the Indiana Department of Environmental Management (IDEM) must already review each financial assurance mechanism, regardless of the type, this rule will not have a fiscal impact.

This rule places no unfunded mandates upon state government.

Local: Under current regulations, each municipal solid waste landfill (MSWLF) owner or operator must establish and maintain financial assurance for closure, post-closure care, and corrective action associated with MSWLFs. This rule adds or revises two financial assurance mechanisms which allow a local government unit that owns, operates, or guarantees a MSWLF and that meets certain requirements to establish financial assurance based on its financial strength, without having to demonstrate financial assurance through the use of third-party financial instruments. This may result in significant savings to local government units.

The following eleven local government units own or operate MSWLFs: (1) Bartholomew County, (2) Daviess County Solid Waste Management District (SWMD), (3) Elkhart County, (4) city of Huntington, (5) LaGrange County, (6) city of Munster, (7) city of Indianapolis (8) Monroe County SWMD, (9) Sullivan County, (10) Washington County, and (11) city of Richmond. IDEM staff is not currently aware of any local government unit that guarantees the closure, post-closure, and corrective action costs of other MSWLF owners and operators.

The U.S. Environmental Protection Agency, in its regulatory impact analysis of this rule, estimated that this rule “will save local government owners and operators of MSWLFs \$105.1 million annually: \$96.6 million attributable to the availability of the local government financial test and \$8.5 million attributable to the availability of the local government guarantee.” If Indiana’s economy is considered to be 2% of the national economy, the total annual savings to local government units would be approximately \$1.9 million, all of which is attributable to the local government financial test. Since IDEM staff is not currently aware of any local government unit that guarantees the costs of other MSWLFs, savings from that option is not included in this analysis. The actual impact on each local government unit is dependent upon which, if either, of the two mechanisms the local government unit uses.

This rule places no unfunded mandates upon any local government unit.

Regulated Entities:

This rule does not have a fiscal impact on any regulated entities.

Information Sources: *Statistical Abstract of the United States*, 1997, Table 696; 61 CFR 230, November 27, 1996, page 60335; Steve Mojonier, IDEM, 233-1655.